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DIRECTORATE OF  
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# *Central Intelligence Bulletin*

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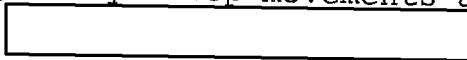
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**C**hina-Vietnam: Communist propagandists are taking a tough line on the eve of the new talks in Paris.

They are bearing down especially hard on the status of the National Liberation Front. A lead item in North Vietnam's party daily yesterday focused on this issue, and a Front spokesman made the same point in Paris. The latter said the Communists would stress "recognition" of the Front and US troop withdrawals when the substantive talks finally get under way.

\* \* \* \*

In South Vietnam, the Communists still seem bent on stepping up the pace of their military activity around Saigon and in the provinces to the south of the capital. Allied countermeasures are impeding enemy troop movements and timetables, however.



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USSR - West Germany - Berlin: Soviet protests against Bonn's plan to elect its next federal president on 5 March in West Berlin are, as expected, growing somewhat stronger as the date draws closer.

Last week, the Soviet ambassador in Bonn told Foreign Minister Brandt that the plan was "provocative" and ignored Soviet warnings and "restraint." He said it would "aggravate relations" between Bonn and Moscow. This week the Soviet envoy in East Berlin asked the British ambassador to Bonn to intercede with Brandt and warn him that the election might provoke Soviet reprisals.

Moscow has been trying to create differences between West Germany and the Allies over this issue, but as yet has given no sign that it has decided on its own ultimate course of action. [redacted]

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UK-Rhodesia: Prime Minister Wilson now has a somewhat freer hand to negotiate with the Smith regime but he is also committed more firmly than before to make sure that any settlement is acceptable to black as well as white Rhodesians.

Wilson now finds himself in this position after the lengthy discussion of the Rhodesian issue at the Commonwealth prime ministers' conference. At the last Commonwealth conference, in September 1966, London took the official line that it would not grant independence to Rhodesia until majority rule prevailed there. Although London later explored various other proposals with Salisbury, Wilson paid lip service to this formula again this week. He also made it clear that London will be content to seek a settlement short of "no independence before majority rule," but promised, in the event of success, to ask the Commonwealth to release him from the original formula.

Counterbalancing this greater diplomatic freedom, the British joined the other Commonwealth countries in declaring that the acceptability of any settlement to the whole Rhodesian people would have to be tested in a convincing manner. The conferees agreed that a referendum might be necessary.

At the moment, however, there are no new indications that Wilson can come to terms with Ian Smith. [redacted]

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Western Europe: The British, Germans, and Dutch are pressing ahead with plans for joint production of enriched uranium by the gas ultracentrifuge method, a potentially less expensive process than gaseous diffusion.

All three have the political will to make the project succeed, but a high Dutch official has commented that the further they all go in trying to work out cooperation, the more difficult progress seems to become. The three countries will meet on 20 January to try to work out a draft of a formal treaty to ensure the application of nuclear safeguards and national security standards on information to be exchanged. Serious differences in national security procedures may be difficult to overcome, however.

Integration may also be hampered by the wide differences in the extent to which each has progressed in its own ultracentrifuge research.

The Dutch official noted that the UK is pressing for the earliest possible construction of a large-scale enrichment plant to help fill the need in the near future for enriched uranium. The Dutch, on the other hand, want to proceed more slowly because of the risks of failure without adequate preliminary, small-scale testing. [redacted]

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USSR-France: Moscow and Paris are continuing to cooperate in the field of color television after settling recent differences over marketing rights and production.

The French have won the exclusive right to sell the joint Franco-Soviet SECAM process in the free world and in Eastern Europe, and the Soviets have retained joint ownership only within the USSR.

Under an earlier agreement to produce the French-designed TV tube in the USSR, annual production is projected at about 30,000 tubes by 1971. In an apparent attempt to offset the uncertainties of this agreement, the USSR last year purchased a US plant for the production of shadow masks for color TV tubes. Implementation of the US process should enable the Soviets to begin the mass production of at least 200,000 color TV sets by 1970.

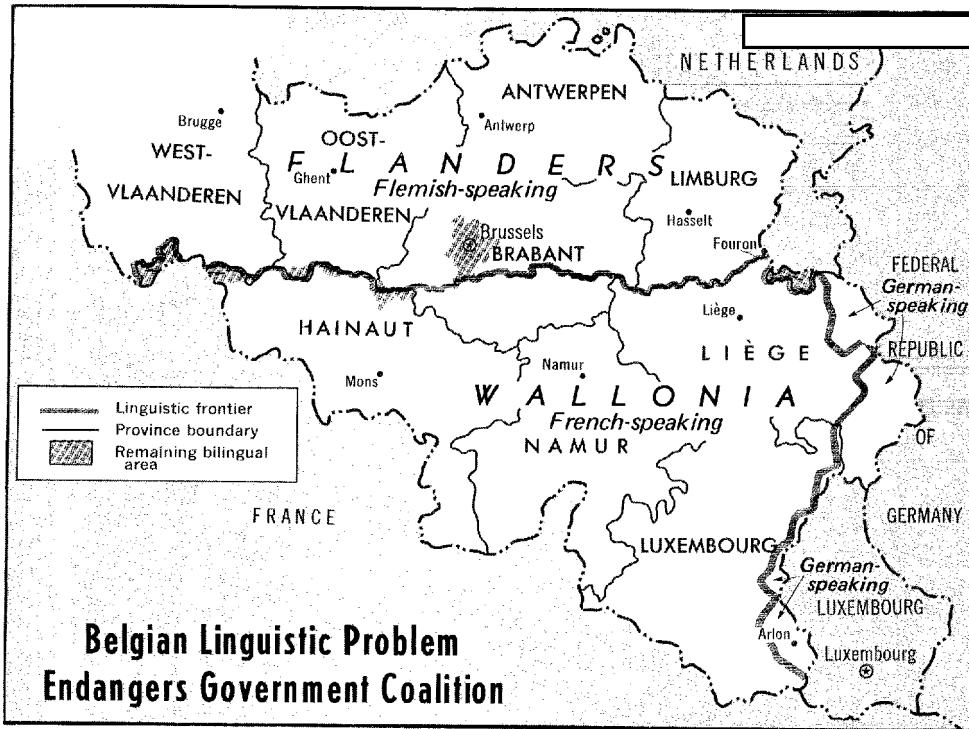
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Belgium: The bitter linguistic dispute threatens to put the shaky Social Christian - Socialist coalition to its greatest test since it came to power last summer.

Opposition Liberals and the small nationalist parties decided this week to boycott parliamentary consideration of the coalition's program to deal with the persistent linguistic dispute. The coalition, after laborious effort, proposed constitutional amendments to promote cultural autonomy of the French- and Flemish-speaking communities and to give them a greater voice in economic policymaking. The decision of the Liberals and nationalists to boycott consideration of these measures will deny the government the needed quorum in parliament. All the parties are so divided on the program, however, that the measures would probably not receive the necessary two-thirds approval even if a vote were possible.

The immediate aim of the Liberals' boycott appears to be to force the coalition to let them help redraft the program, but the coalition Socialists and some of their Social Christian coalition partners have adamantly opposed the participation of the business-oriented Liberals.

Although the linguistic bills are the core of the coalition's program, there is some question whether the program's failure would bring down the government. Many leaders in all the parties, fearing the prospect of another national election as inconclusive as the election last March, may not want a vote of confidence on this issue. Other leaders also reportedly believe the coalition would not need to regard a defeat as a vote of no confidence, because constitutional reform is properly a parliamentary, not a government, responsibility. [ ] (Map)

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Brazil: The government's purge of opposition elements seems likely to be continued soon, as hard-liners push ahead with their "sanitation" campaign.

The 43 persons who this week lost their jobs--and some their political rights--included not only respected opposition congressmen but also members of the progovernment party. In general their crime seems to have been too vocal criticism.

For the first time the purge was extended to the judiciary. Three supreme court justices and a member of the military tribunal were summarily retired. The supreme court justices involved were liberals appointed by former presidents Goulart and Kubitschek; many military officers have been annoyed by court decisions that hampered the prosecution of "known Communists."

The government's latest moves are evidence of determination to purge not only corrupt and subversive opponents but honest critics as well. Costa e Silva and many of his top advisers have favored moderation, but the hard-liners--especially a group of noncabinet members known as "the generals"--are calling the tune. [redacted]

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CEMA: The recent symposium of CEMA economists in Warsaw, held without Rumanian participation, reportedly concluded that integration of the member states' economies should proceed gradually over the next five years.

Supranational planning for the socialist community was regarded as unjustified. The meeting recommended instead the establishment of additional "voluntary" links among the CEMA member states, especially in industrial production and research.

The Polish economists also called for a price system that would lead to intra-CEMA currency convertibility to promote multilateralism in trade, a long-standing goal of CEMA.

Reports of the symposium suggest that an East European consensus on a relatively loose economic association is evolving. Poland, the most active proponent of integration within CEMA, now appears to be scaling down some of its more extreme proposals to accommodate its less enthusiastic East European neighbors. [redacted]

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Zambia: Zambia's decision to terminate its military training agreement with the UK highlights a gradual reorganization and expansion of Zambia's defense forces.

On 31 December Zambia gave the required one year's notice to end the program under which the British military instructors have served in operational positions in the Zambian Army and Air Force. Zambia has long felt uneasy about control by the personnel of a foreign state over the use of the army and navy in any hostilities. Apprehension that the British Government would be reluctant to allow its loan personnel to serve against Rhodesian or Portuguese forces has heightened Zambian concern.

Exaggerated fears of a military invasion by Rhodesia last spring led to Zambia's announcement of the defense buildup. The training of Zambians and recruitment of personnel on direct contract to the Zambian Government has now reached the point where Lusaka decided it can end its reliance on the UK and still staff a military establishment planned to be almost doubled by 1972.

Zambia is also seeking more sophisticated hardware. Efforts to purchase defensive missiles from Britain have been stalled for a variety of technical and political reasons. Long negotiations for helicopters and jet trainers appear near fruition, however, with Italy the most probable supplier.

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Morocco-Algeria: The six-day visit of Algerian Premier Boumediene to Morocco climaxed six months of effort to improve relations. It apparently did not, however, alleviate the underlying mutual suspicion and hostility of the countries' leaders or resolve the basic issue of Morocco's territorial claims.

The terms of the treaty of solidarity and cooperation concluded during the visit are probably broad enough to permit substantial low-level cooperation in social and economic spheres. Moreover, by signing the final communiqué which referred to "an end to the arms race," the Algerians for the first time have publicly admitted the danger of an arms race. This represents a considerable concession to King Hassan's initiative in 1967 for talks on arms levels in the Maghreb.

Hassan may have welcomed as a demonstration of the difficulties in settling the sensitive border question the discordant note struck by the Moroccan Istiqlal Party when it reiterated its broad territorial demands at the time of Boumediene's arrival.

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Spain-USSR: Madrid is trying to persuade Moscow to divert to Spanish ports the Soviet ships and fishing vessels which now call at Gibraltar,

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This is the latest example of Spain's maneuvers to isolate Gibraltar and impair its economy in order to pressure London to return the Rock to Spain. The Spaniards made the proposal to the Soviets in London last November and are continuing discussions this month in Madrid.

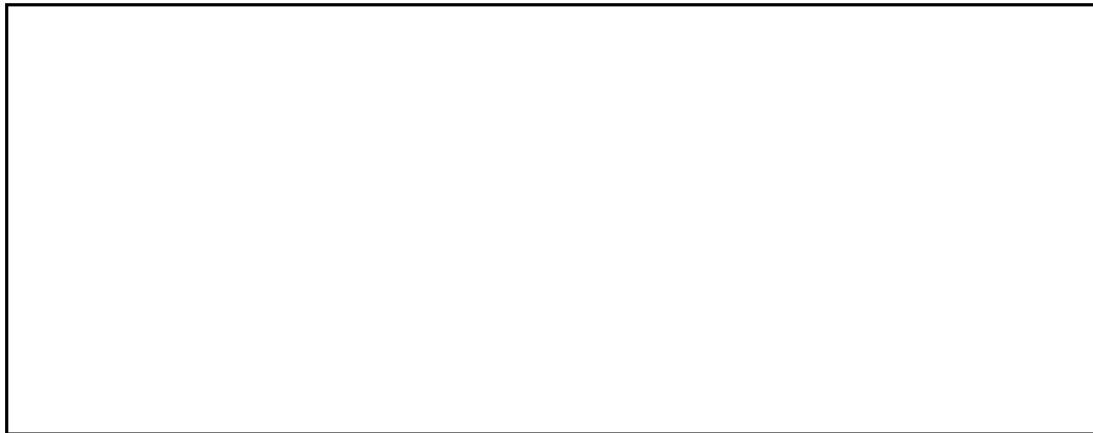
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Bolivia: President Barrientos has said that he will not run for the presidency in June 1970 and is encouraging support for the candidacy of army commander in chief General Ovando. [redacted]

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[redacted] Apparently foreseeing that an attempt on his part to run for re-election could prompt a military coup, Barrientos, for now at least, has decided to leave office after his present term and support Ovando as his successor. [redacted]

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